

REQUEST FOR PROPOSAL

HPS SCHOOL FOOD PURCHASING PROGRAM (Michigan)

SECTION 1. BACKGROUND.

HPS is a nonprofit organization comprised of over 4,900 members and participants in the following states but not limited to: Michigan, Indiana, Ohio, Pennsylvania, West Virginia, Illinois, Kentucky, Tennessee, Florida, Georgia, Wisconsin, North/South Carolina, Massachusetts, District of Columbia, Virginia, Maryland, New Jersey, Delaware, Maine, New Hampshire, Connecticut, Vermont, Rhode Island, New York, Iowa, Missouri, Alabama, and Texas. HPS is owned by its members, all of which are governmental entities or nonprofit, 501(c)(3) tax-exempt organizations. HPS members and participants include numerous public and nonprofit school systems, as well as nonprofit health care provider institutions, various instrumentalities of government, and for-profit participant health care providers and other institutions.

As part of its portfolio, HPS maintains a School Food Service Purchasing Program that is designed to allow eligible HPS members and participants to procure food and related items at competitive prices in a manner that complies with current state and federal procurement laws, regulations, and guidelines for Child Nutrition Programs (“**CN Programs**”). More than 1,900 entities in the listed states currently participate in the HPS School Food Service Purchasing Program. Those entities make purchases averaging more than \$1,080,000,000.00 in the aggregate through the HPS program each school year.

HPS carries on its activities through two separate, nonprofit entities. HPS, LLC, a Delaware nonprofit limited liability company, handles the recording and accounting related to purchasing activities of its tax-exempt, nonprofit and governmental member/owners. A subsidiary corporation, HPS MI, Inc., handles the recording and accounting related to purchasing activities of for-profit participants. As used in this RFP and any resulting Master Group Agreement, “**HPS**” includes both HPS, LLC, a Delaware nonprofit limited liability company, and HPS MI, Inc., a Delaware nonprofit corporation, as their interests may appear.

SECTION 2. SCOPE OF REQUEST.

HPS has been or expects to be awarded one or more contracts (“**HPS/SFA Contracts**”) to provide eligible School Food Authorities (“**SFAs**”) in the state of Michigan (“**State**”) with Broadline Distribution Services, as defined below, through a competitively procured distribution contract with a broadline distributor (“**Awarded Distributor**”). The HPS/SFA Contracts may also require HPS to provide certain administrative and information services to the SFAs; this RFP does not include those administrative and information services. The HPS/SFA Contracts include a contract awarded to HPS by Great Lakes Consortium (“**GLC**”).

This RFP solicits proposals from qualified firms to provide Broadline Distribution Services by ordering, warehousing and delivering food (commercial and USDA Foods) and related supplies, including without

limitation the products in the HPS School Food Service Purchasing Program listed on **Exhibit C** (individually defined as “**Product**” and collectively defined as “**Products**”), directly for and to all HPS members and participants, (including without limitation entities in HPS’s non-K12 associate class of trade), both taxable and tax-exempt, that are located in the State and that elect to access HPS pricing for the Products under the Master Group Agreement and Individual Member/Participant Agreements (“**HPS Institutions**”). The forecasted quantity of purchases of Products by HPS Institutions in the State during the original, one-year term of the Master Group Agreement is anticipated to be \$190,000,000 and 5,588,235 cases. HPS projects, but does not guarantee, that if the Master Group Agreement is renewed, such sales volume in the State will increase by 15% each year in dollar volume and in case growth. This two factor growth test will be used to determine if a material change has occurred. The Products include items covered by the National School Lunch Program and the other CN Programs administered by the Food and Nutrition Service (“**FNS**”) of the United States Department of Agriculture (“**USDA**”). After the award of the contract for Broadline Distribution Services, HPS, on behalf of the HPS Institutions, will enter into processing agreements with all awarded USDA Commodity vendors listed in the Awarded Distributor’s proposal. The processing agreements will comply with 7 CFR Part 250. Each HPS Institution will have the right to enter into its own processing agreement(s).

HPS makes this request on behalf of the HPS Institutions, including any SFAs that operate CN Programs and that are or in the future become HPS members or group purchasing participants and enter into Individual Member/Participant Agreements (defined below) with the Awarded Distributor. Responding vendors should be aware that the names and number of HPS Institutions in the State may change during the term of the Master Group Agreement. The Products and pricing of the awarded Master Group Agreement may be available to other HPS Institutions in the State that are not listed on the attached **Exhibit A**, but that join HPS and sign Individual Member/Participant Agreements after the procurement and award of the Master Group Agreement. However, in no event will the number of HPS SFAs exceed the number of SFAs in the State. HPS Institutions are not required to participate, but the commercial and commodity pricing offered in this proposal will be open to any HPS Institution in the State that may join HPS at any time to take advantage of that pricing. By submitting a proposal, the responding vendor agrees to make the same contract terms and conditions, Products, and prices available to other such HPS Institutions.

This solicitation is intended to promote full and open competition. If the responding vendor believes the language, specifications, terms, and conditions restrict or limit the requirements in this solicitation to a single source, it is the responding vendor’s responsibility to notify Ms. Tori Mascho in writing, at tmascho@hpsnet.com so as to be received within five (5) business days after the date the solicitation is issued by HPS. The solicitation may or may not be changed, but a review of such notification will be made prior to the award of contract.

SECTION 3. QUALIFICATIONS AND RESPONSIBILITIES OF DISTRIBUTOR.

a. **Broadline Distribution Services:** The Awarded Distributor must provide the following “**Broadline Distribution Services**” as allowed by the State Department of Education or other State agency having jurisdiction:

1. Perform year-around distribution (including ordering, storage, delivery and electronic tracking) of food (commercial and USDA Commodities), supplies, materials, equipment, and all other Products related to a food service operation for all participating HPS Institutions in the State who elect to access HPS pricing.